

RECEIVED

2016 JUN 22 PM 4:55

IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER )  
COMPANY'S APPLICATION FOR ) CASE NO. IPC-E-16-14  
APPROVAL OF NEW TARIFF SCHEDULE )  
63, A COMMUNITY SOLAR PILOT )  
PROGRAM. )  
\_\_\_\_\_ )

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

PETER PENGILLY

1 Q. Please state your name, address, and present  
2 occupation.

3 A. My name is Peter Pengilly. My business  
4 address is 1221 West Idaho Street, Boise, Idaho. I am  
5 employed by Idaho Power Company ("Idaho Power" or  
6 "Company") as a Customer Research and Analysis Leader in  
7 its Customer Relations and Energy Efficiency group.

8 Q. Please describe your work experience with  
9 Idaho Power.

10 A. I began employment with Idaho Power in  
11 December of 1999 as a Senior Pricing Analyst in the Pricing  
12 and Regulatory Services Department. My duties as a Senior  
13 Pricing Analyst included the development of alternative  
14 pricing structures, management of pricing programs, the  
15 analysis of the impact on customers of rate design changes,  
16 and the administration of the Company's tariffs. In that  
17 position I helped develop several demand response programs,  
18 a time-of-use pilot program, and a critical peak pricing  
19 program.

20 In 2006 I was promoted to my current position as  
21 Customer Research and Analysis Leader in the Customer  
22 Relations and Energy Efficiency Department. In this  
23 position I am responsible for the research, analysis,  
24 forecasting, and reporting associated with Idaho Power's  
25 energy efficiency and demand response programs. Part of my

1 current responsibilities is supervising the Company's Green  
2 Energy Purchase Program Rider ("Green Power Program"), net  
3 metering service, and the proposed community solar pilot  
4 program.

5 Q. What is the purpose of your testimony in this  
6 proceeding?

7 A. The purpose of my testimony is to present the  
8 proposed framework for the Company's Community Solar Pilot  
9 Program ("Program").

10 Q. How is your testimony organized?

11 A. My testimony is organized as follows:

12 (1) I provide a general overview of the  
13 proposed Program and a comparison of the  
14 Program to the existing Green Power Program.

15 (2) I provide an overview of the customer  
16 input the Company has received to offer a  
17 community solar pilot program.

18 (3) I provide a detailed description of the  
19 Program, as well as the mechanics of the  
20 initial enrollment phase.

21 (4) I discuss the ongoing costs of the  
22 Program which include ongoing administrative  
23 costs, marketing, and operations and  
24 maintenance ("O&M") costs.

25 Q. Are you sponsoring any exhibits?

1           A.     Yes. I am sponsoring the following exhibits:

2                     • Exhibit 3 - Idaho Power Community Solar  
3                             Pilot Program Participant Agreement

4                     • Exhibit 4 - Customer Billing Example

5           **I. Community Solar Pilot Program Overview**

6           Q.     Please describe the general framework of the  
7 Program.

8           A.     For the Program, Idaho Power is proposing to  
9 construct a 500 kilowatt ("kW") solar array located in  
10 southeast Boise. The Program is open to Residential  
11 Service (Schedules 1 and 5), Small General Service  
12 (Schedule 7), Large General Service (Schedule 9), Large  
13 Power Service (Schedule 19), Agricultural Irrigation  
14 Service (Schedule 24), Micron Special Contract (Schedule  
15 26), Simplot Special Contract (Schedule 29), and the  
16 Department of Energy Special Contract (Schedule 30)  
17 customers. Participants can elect to purchase one or more  
18 subscriptions in the solar array, reflecting a proportional  
19 share of the generated electricity. Once the solar  
20 facility is operational, participants will receive a bill  
21 credit (Solar Energy Credit) for their portion of the solar  
22 energy generated by the array. Participation is voluntary  
23 and available on a first come first served basis.

24           Q.     Why is the Company requesting that the Program  
25 be offered as a pilot?

1           A.     The Company intends for this initial offering  
2 to be treated as a pilot program to allow the Company to  
3 learn about the complexities associated with offering  
4 community solar programs including customer commitment,  
5 construction, contracting, interconnection, maintenance,  
6 and billing. The Program is designed as a new option in  
7 response to customers' preference for renewable energy  
8 options, and will serve to inform the consideration of  
9 potential expanded offerings in the future.

10           Q.     Is the Program replacing the Green Power  
11 Program?

12           A.     No. The Program is being offered as a new  
13 option for customers who desire to support solar energy  
14 development.

15           Q.     How is the Program different than the Green  
16 Power Program?

17           A.     The Green Power Program allows customers to  
18 contribute to renewable energy through the purchase of  
19 renewable energy certificates ("REC"). The Company,  
20 through a broker, purchases and retires RECs on behalf of  
21 the program participants who are then able to claim the  
22 "green" attributes from the renewable energy sources that  
23 generated the REC. In contrast, a customer participating  
24 in the Community Solar Pilot Program is subscribing to the  
25 energy produced from a specific solar photovoltaic ("PV")

1 resource and receiving a bill credit based upon their level  
2 of subscription and the actual generation from their  
3 portion of the array. Idaho Power will retire the RECs  
4 from the Program on behalf of the participants.

5 **II. Community Solar Outreach**

6 Q. What prompted the Company to investigate a  
7 community solar project?

8 A. Customer interest in central station  
9 distributed solar generation was the subject of many 2015  
10 Integrated Resource Plan ("IRP") discussions, both among  
11 Integrated Resource Plan Advisory Council ("IRPAC") members  
12 and Idaho Power leadership. Late in the 2015 IRP public  
13 process, Idaho Power was approached by several interested  
14 parties and asked to consider sponsoring a community solar  
15 project.

16 On October 1, 2015, Idaho Power held a special IRPAC  
17 meeting to discuss and obtain feedback on potential  
18 community solar project possibilities. In attendance were  
19 representatives for the environmental community, Idaho  
20 Public Utilities Commission ("Commission") Staff ("Staff"),  
21 industrial customers, irrigation customers, and solar  
22 installers. The response was generally positive. At this  
23 meeting, there was beneficial discussion which notably  
24 included discussion around the price of solar arrays.

25

1           On May 26, 2016, Idaho Power invited the interested  
2 parties from the October 2015 meeting along with Idaho  
3 Power customers who had expressed an interest in community  
4 solar to a meeting to present an outline of the Company's  
5 Community Solar Pilot Program design. The feedback from  
6 attendees was generally positive while several questions  
7 were addressed. There has been no formal feedback since  
8 the meeting.

9           Additionally, Idaho Power representatives met a  
10 number of times with the Wood River Valley Renewable Energy  
11 Working Group ("Group") to better understand the desire for  
12 renewable resources and worked collaboratively to explore  
13 the feasibility of creating new energy products to better  
14 meet the growing expectations of Idaho Power's customers.  
15 The Group discussed many renewable energy options including  
16 community solar projects, and was instrumental in providing  
17 feedback for the development of the proposed revisions to  
18 Idaho Power's Green Power Program. If the Boise-based  
19 pilot Program is successful, the Company will continue to  
20 evaluate the concept and may potentially expand the  
21 offering to include community solar projects in the Wood  
22 River Valley area and other interested communities.

23           Q.       Has the Company received any additional  
24 information that demonstrates customer interest in a  
25 community solar project?

1           A.     Idaho Power's syndicated customer satisfaction  
2 research studies have shown that residential customers are  
3 more satisfied with their utility when they have choices  
4 with regard to pricing, products, and service programs.  
5 Additionally, some respondents to the Company's proprietary  
6 customer satisfaction research studies have anecdotally  
7 indicated a desire for the Company to more actively support  
8 renewable energy.

9           Q.     What kind of research did the Company perform  
10 to determine the design of the Program?

11          A.     The Company investigated several other  
12 community solar programs, visited the Avista community  
13 solar installation, and discussed with Avista staff the  
14 details of their program. Idaho Power staff also spoke  
15 with representatives from Flathead Electric, Rocky Mountain  
16 Power, and Madison Gas and Electric. Additionally, the  
17 Company reviewed reports and articles by Solar Electric  
18 Power Association, Solar Electric Industries Association,  
19 and National Renewable Energy Laboratory.

20          Q.     Did Idaho Power conduct any additional  
21 outreach prior to filing the Program?

22          A.     Yes. Idaho Power staff visited the  
23 neighborhood near the planned location of the proposed  
24 array. Company personnel visited 13 residents and one  
25 business and left informational materials during each visit

1 to customers in the project's view-shed. During these  
2 visits, Company personnel spoke to five residents and one  
3 business customer. The response was generally positive  
4 with one neighbor expressing concern. This customer was  
5 informed of the public process for the construction of the  
6 array and their opportunity to participate. Additionally,  
7 Idaho Power circulated information to the neighborhoods  
8 adjacent to the project either through personal hand-  
9 delivered letters or through their respective homeowners  
10 associations.

### 11 **III. Program Details**

12 Q. How will the Program be administered by the  
13 Company?

14 A. The Program will be available through a  
15 separate tariff as a supplement to the customer's otherwise  
16 applicable tariff schedule. The proposed Schedule 63,  
17 Community Solar Pilot Program is provided as Attachment 1  
18 to the Application in this matter. The tariff sets forth  
19 the Subscription Fee, Solar Energy Credit, billing  
20 provisions, and the terms and conditions for participating  
21 in the Program.

22 Q. How did the Company determine the structure  
23 for the Program?

24 A. As described earlier, the Company assessed the  
25 various program structures of existing community solar

1 programs across the country to determine which program  
2 structure or combination of program attributes would be the  
3 best fit for Idaho Power. The Company determined that the  
4 Program structure, as detailed below, is transparent, easy  
5 to understand, and protects non-participating customers and  
6 the Company from the financial risk of an under-subscribed  
7 project.

8 Program Terms and Conditions

9 Q. What are the basic program design components?

10 A. The key program mechanics are summarized  
11 below:

12 1. Program participants elect to purchase  
13 one or more subscriptions in the generation output  
14 for the life of the project (25 years).

15 2. Individual residential customers can  
16 subscribe to as many subscriptions as desired, but  
17 expected annual production associated with their  
18 subscription level cannot exceed 100 percent of  
19 their usage for the prior 12 months (on a kWh  
20 basis).

21 3. Nonresidential customers may apply for up  
22 to 50 subscriptions each, but the expected annual  
23 production associated with their subscription level  
24 cannot exceed 100 percent of their usage for the  
25 prior 12 months (on a kWh basis).

1           4. Initially Nonresidential customers will  
2 be limited to 470 subscriptions in aggregate,  
3 representing approximately 150 kW of the total 500  
4 kW, and residential customers will be able to  
5 subscribe to 1093 subscriptions or about 350 KW.

6           5. Subscriptions will be awarded on a first-  
7 come, first-served basis until Program capacity is  
8 reached. The first 60 days of the initial  
9 enrollment window will reserve 70 percent of the  
10 project for residential customers and 30 percent  
11 for nonresidential customers as detailed above.  
12 After the 60-day timeframe, if there is  
13 unsubscribed capacity that was reserved for  
14 residential customers it may be opened up to  
15 nonresidential customers and vice versa.

16           6. Idaho Power employees and net-metering  
17 customers will only be able to subscribe after the  
18 initial 60-day enrollment period in order to test  
19 other customers' commitment to community solar.

20           7. If participants move to other points of  
21 electric service delivery within the Company's  
22 Idaho service area, their subscription will  
23 transfer with them at no charge.

24           8. If a participant moves outside the  
25 Company's service area and the participant notifies

1 the Company in writing within 60 days of closing  
2 their account, the participant may transfer their  
3 subscription to another eligible customer for a  
4 transfer fee of \$25.00.

5 9. If a participant moves outside the  
6 Company's service area and does not request a  
7 subscription transfer as detailed above, the  
8 subscription will revert to Idaho Power.

9 10. Idaho Power will retain ownership of the  
10 RECs and all other environmental attributes,  
11 including but not limited to, carbon emission  
12 reduction credits, and the RECs will be retired by  
13 Idaho Power on behalf of subscribers.

14 Enrollment Process

15 Q. When can a customer enroll in the Program?

16 A. Following Commission approval, the Company  
17 will begin marketing and enrolling customers in the  
18 Program. The Company hopes to have nearly full enrollment  
19 120 days from Commission approval, but may adjust this  
20 based on the difficulty of enrolling customers during the  
21 holiday season.

22 Q. How will customers enroll in the Program?

23 A. Customers will be required to fill out the  
24 Participant Agreement with Idaho Power, provided as Exhibit

25

1 4, and return the signed agreement along with a check  
2 payment in order to be enrolled.

3 Q. What level of enrollment is necessary for the  
4 project to move forward with construction?

5 A. Idaho Power reserves the right to discontinue  
6 efforts on the Program if the project is not fully  
7 subscribed within 120 days after the commencement of the  
8 enrollment period. However, Idaho Power may at its  
9 discretion elect to continue the Program even if it is not  
10 fully subscribed within that time period, but expects that  
11 it would not continue the project if less than 80 percent  
12 of the Program is subscribed within 120 days after the  
13 commencement of the enrollment period.

14 Q. When would the Company need a Commission  
15 order to sufficiently market and enroll customers in the  
16 Program?

17 A. Based on the proposed online date of June  
18 2017 detailed in Mr. Angell's testimony, the Company  
19 believes that an order by September 15, 2016, would allow  
20 sufficient time to market the Program prior to the holiday  
21 season. The Company's marketing group has expressed  
22 concern that it will be difficult to interest customers in  
23 this Program during the holidays and will make successful  
24 marketing more difficult. Receiving an order by September  
25

1 15 would allow close to 90 days to market and enroll  
2 customers prior to the holidays.

3 Customer Billing

4 Q. How will participants receive credit for the  
5 energy the solar panels actually produce?

6 A. The Solar Energy Credit, described and  
7 quantified by Company witness Mr. Larkin, will be applied  
8 to each kWh associated with the participant's subscription  
9 for a given month; however, participants will see the bill  
10 credits for solar production as a dollar offset to the  
11 total bill, not as a kWh credit that offsets billed kWh  
12 consumption. The solar array's actual loss-adjusted output  
13 each month (measured in kWh), will be applied to  
14 participant's bills according to the proportional number of  
15 subscriptions each participant purchases.

16 Q. Please describe what will happen if a  
17 participant's share of monthly production exceeds their  
18 monthly usage.

19 A. The Company proposes to limit the monthly bill  
20 credit to the participant's monthly kWh usage. Any excess  
21 production will be carried forward on a kWh basis to be  
22 credited on a participant's bill in a future month. For  
23 example: A participant uses 1,000 kWh in a month and their  
24 share of the solar production is 1,100 kWh. The bill  
25 credit for the month will be the Solar Energy Credit rate

1 multiplied by 1,000 kWh. The participant will have 100 kWh  
2 that will carry-forward to be credited on a future monthly  
3 bill.

4 Q. How will actual loss-adjusted output be  
5 measured?

6 A. Actual loss-adjusted output will be measured  
7 on a calendar month basis, with each participant's  
8 proportion of the output applied as a credit on the next  
9 available monthly bill. The time period between the  
10 measurement of production and application to the bill will  
11 vary based on each participant's bill cycle.

12 Q. Are there other impacts to a participant's  
13 bill if they participate in the Program?

14 A. Yes, as described in Mr. Larkin's testimony,  
15 the participant's share of the monthly output will also  
16 serve as an offset to billed kWh subject to the Power Cost  
17 Adjustment rate.

18 Q. Will participants have access to the  
19 facility's electric production data?

20 A. The array's electric production will be  
21 measured with an interval meter and the Company plans to  
22 make the array's generation data available on Idaho Power's  
23 website as soon as possible after the array is put into  
24 service. The output attributed to a specific participant  
25 will be shown on their monthly bill.

1 Q. Have you provided an example of a  
2 participant's bill?

3 A. Yes. Exhibit 4 to my testimony provides a  
4 billing example for a residential customer's non-summer  
5 bill if they used 1,000 kWh and subscribed to the output of  
6 a single subscription.

7 **IV. Ongoing Program Costs**

8 Q. Please describe the ongoing costs associated  
9 with the Program.

10 A. The ongoing program costs occur in three main  
11 categories: (1) administration, (2) marketing/education,  
12 and (3) O&M expense.

13 Q. Please describe the administration costs  
14 associated with the Program.

15 A. While the Company anticipates that the Program  
16 will require approximately 0.5 full-time employees for  
17 management and project oversight, there are no incremental  
18 administrative expenses included in the cost assumptions  
19 for the Program, as the Company expects to rely on its  
20 existing workforce to serve the administrative function for  
21 this Program. The administrative support for the Program  
22 will include monitoring and evaluating Program progress,  
23 customer service support with contracts, enrollments, and  
24 transfers. Because this is a pilot program, the Company  
25 will be able to evaluate administrative responsibilities

1 and determine what changes may be necessary in order to  
2 gain efficiencies if the Company chooses to expand the  
3 Program.

4 Q. How much did the Company attribute to the  
5 Program for expected marketing expense?

6 A. The Company has included \$50,000 for marketing  
7 and ongoing communication expenses as part of the total  
8 costs of offering the Program.

9 Q. Please provide an overview of the Program  
10 marketing and ongoing education strategy.

11 A. Marketing tactics during the enrollment period  
12 may include targeted direct mail, e-mail, social media, and  
13 online advertising, as well as mass communications through  
14 the Idaho Power bill and website. Idaho Power plans to  
15 reach out to local stakeholder groups, including  
16 conservation organizations and others that have shown an  
17 interest in promoting solar energy. Idaho Power will train  
18 customer representatives in the Company's customer service  
19 center and at the regional field offices so they may  
20 promote the offering to interested customers.

21 The Company recognizes that customers should be  
22 aware of all renewable energy choices available to them at  
23 the time of enrollment to ensure they choose the one that  
24 best fits their needs. Therefore, the Company will market  
25 the Community Solar Pilot Program alongside the Green Power

1 Program, leveraging resources and providing both programs  
2 additional visibility. After the initial enrollment  
3 campaign, the Company anticipates ongoing education and  
4 communication to participants as is done with the Green  
5 Power Program.

6 Q. How much did the Company attribute to the  
7 Program for ongoing O&M expenses?

8 A. The total Program costs include ongoing O&M  
9 expenses of \$16 per kW, or approximately \$8,000 escalated  
10 at 2.6<sup>1</sup> percent, beginning in year four, to account for  
11 inflation. The Company determined the ongoing O&M rate  
12 based on the selected contractors bid to provide O&M  
13 services for the first three years at \$8,064 per year. The  
14 O&M rate of \$16 per kW was calculated by dividing \$8,064 by  
15 the size of the array, 500 kW. The Company believes this  
16 level of funding should be sufficient for the panel and  
17 array maintenance over the 25-year life of the array. The  
18 ongoing O&M requirement is one of the learning objectives  
19 of the Program.

20 Q. Who will provide the ongoing O&M activities  
21 for the Program?

22 A. The first three years of maintenance will be  
23 performed by the selected contractor. After the initial

---

<sup>1</sup>Idaho Power's internal budget escalation factor.

1 three years, the Company will either assume these duties or  
2 contract with a maintenance contractor.

3 Q. Please summarize the costs included in the  
4 total Program costs.

5 A. As discussed above, the marketing costs are  
6 included as part of the total cost of offering the Program,  
7 as are expected ongoing O&M costs. Given the proposed  
8 treatment of administrative expenses described above, none  
9 of these expenses are included in the expected Program  
10 cost.

#### 11 **V. Conclusion**

12 Q. Please summarize your testimony.

13 A. Idaho Power is proposing a Community Solar  
14 Pilot Program to respond to customer and stakeholder  
15 preference for support of renewable energy. The Program is  
16 voluntary and available on a first-come first-served basis.  
17 The Program provides customers with a solar energy  
18 alternative for those not interested in owning and  
19 operating their own system or for those customers that, due  
20 to a variety of reasons, cannot have solar PV installed at  
21 their home. Enrollment in and marketing of the Program  
22 will begin immediately following Commission approval and  
23 continue for 120 days as described above. At that time, the  
24 Company will decide if construction and subscription should  
25 proceed.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Q. Does this complete your testimony?

A. Yes it does.



**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-14**

**IDAHO POWER COMPANY**

**PENGILLY, DI  
TESTIMONY**

**EXHIBIT NO. 3**

**IDAHO POWER COMMUNITY SOLAR PILOT PROGRAM  
PARTICIPANT AGREEMENT**

Thank you for your interest in Idaho Power Company's ("Idaho Power") Community Solar Pilot Program ("Program"). If you wish to participate in the Program, please complete this Participant Agreement. Participation in the Program is subject to the terms and conditions set forth in this Participant Agreement ("Terms and Conditions") and in Schedule 63, Community Solar Pilot Program ("Schedule 63"). Participant Agreements will be processed on a first-come first-served basis. Participant(s) will receive confirmation of participation as soon as administratively practicable, which Idaho Power expects to generally occur within 10 business days following submission of a completed Participant Agreement.

Once completed, please submit this Participant Agreement with your Subscription Fee (check made payable to Idaho Power Company) to: Idaho Power, Community Solar Pilot Program, PO Box 70, Boise, ID 83707. You should retain a copy of this Participant Agreement for your own personal records.

**Account Information**

**Note: Subscription(s) in the Program will be tied to a specific customer service agreement, which is identified by a Service Agreement Number. The Service Agreement Number can be found on your monthly Idaho Power bill.**

First Name _____	Last Name _____
Account No. _____	Service Agreement No. _____
Service Address _____	City _____ State _____ Zip _____
Mailing Address _____	City _____ State _____ Zip _____

I would like my name listed on any Program public recognition pieces (plaques, newsletters, etc.) that Idaho Power may prepare from time to time.

**Payment**

**Total Annual Solar Energy, in kilowatt-hours ("kWh"), may not exceed 100% of the annual energy use of the customer service agreement.**

If known, annual energy use at the Service Agreement Number for which the Subscription applies (last 12 months, if available) \_\_\_\_\_. Is this amount  Actual or  Estimated?

The forecast annual energy generation per Subscription is approximately 638 kWh.

I would like to apply for \_\_\_\_\_ Subscriptions (defined below) at \$740.00 each for a total of \$ \_\_\_\_\_.  
(Please make the check payable to Idaho Power Company.)

**Acknowledgement of Terms and Conditions**

- I have read, understand, and agree to the Participant Agreement Terms and Conditions and Schedule 63.
- I certify that I meet the eligibility requirements outlined in the Participant Agreement Terms and Conditions and Schedule 63.
- I certify I am the customer listed on the customer service agreement and have the full power and authority to sign this Participant Agreement.
- I have enclosed a check for my Subscription Fee payable to Idaho Power Company.
- I have made a copy of this Participant Agreement for my records.

Participant Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

## PARTICIPANT AGREEMENT -- TERMS AND CONDITIONS

### **Availability and Eligibility**

The Program is available to Residential Service (Schedules 1 and 5), Small General Service (Schedule 7), Large General Service (Schedule 9), Large Power Service (Schedule 19), Agricultural Irrigation Service (Schedule 24), Micron Special Contract (Schedule 26), Simplot Special Contract (Schedule 29), and the Department of Energy Special Contract (Schedule 30) customers ("Eligible Customers").

This voluntary Program is available to Eligible Customers in good standing with electric service accounts with service addresses located within Idaho Power's Idaho service territory. Non-metered and lighting accounts may not participate in the Program.

If Idaho Power does not receive a minimum number of total Subscriptions for the Program, Idaho Power may terminate the Program and refund the Subscription Fees, as set forth below under "Refund of Subscription Fee."

### **Subscription Fee**

A "Subscription" shall mean a proportionate interest in the electricity generated by the community solar array. Idaho Power estimates that 1,563 Subscriptions will be available, though the actual number of available Subscriptions may vary.

The upfront payment (Subscription Fee) by a prospective participant of \$740.00 per Subscription is required.

### **Refund of Subscription Fee**

Idaho Power will have no obligation to refund all or any portion of the Subscription Fee at any time or for any reason, except where (a) Idaho Power does not build the community solar array in which case Idaho Power will refund the Subscription Fee plus annual interest in accordance with Idaho Public Utility Commission Rule 101, or (b) Idaho Power does not accept the prospective participant's application (whether due to ineligibility, oversubscription of the Program, or otherwise).

### **Participation**

Participation in the Program is applicable on a first-come, first-served basis to all Eligible Customers who complete a Participant Agreement for this Program ("Participant(s)"). Participant(s) must be 18 years of age or older and have full power and authority to execute this Participant Agreement. Participant must be the customer of record for the service agreement to which the subscription applies. All customers of record on the customer service agreement may make decisions regarding the Subscription.

To participate in the Program, Eligible Customers must sign and return the Participant Agreement along with payment of the Subscription Fee.

Should an Eligible Customer have more than one customer service agreement, they must designate which customer service agreement and account the Subscription should apply to.

Customers that Idaho Power determines are ineligible at its sole discretion will be contacted and the Participant's Subscription Fee check will be returned without interest.

### **Subscription Size**

Residential customers may apply for multiple Subscriptions; however, the sum of the Subscriptions may not exceed 100 percent of the customer's usage for the prior 12-month period (on a kWh basis) per customer service agreement. Residential customers may apply for one Subscription regardless of usage.

Nonresidential customers may apply for up to 50 Subscriptions, however, aggregate annual energy from the elected Subscriptions may not exceed 100 percent of the usage for the prior 12-month period (on a kWh basis) per customer service agreement. Nonresidential customer Subscription limits may be expanded based on total Program enrollment.

If 12 months of usage data is not available, a prospective participant may estimate his/her annual usage, using a method that includes, but is not limited to, usage by similarly-sized properties or builder or architect estimates. All estimates may be reviewed and approved by Idaho Power in its sole discretion.

### **Term**

The Program term will extend 25 years from the date of first production of solar energy on a non-test basis ("Operation Date").

Service on Schedule 63 will commence with the first regular meter reading following approval of the customer's Participant Agreement by Idaho Power or after the Operation Date.

### **Calculation of Solar Energy Credit**

The monthly Solar Energy Credit will be equal to the product of (a) the rate set forth in the rate schedule specified in Schedule 63 and (b) proportional share of the monthly generation from the solar array for that month (as determined by the number of Subscriptions and monthly generation). The month to which the Solar Energy Credit is applicable may not match the billing period for the retail electric service billing which the Solar Energy Credit is applied.

The monthly bill credit will be limited to the Participant's monthly billed kWh. Any excess production will be carried forward on a kWh basis.

The Power Cost Adjustment rate Schedule 55 will be applied to the net of the Participant's total energy use measured as the Participant's monthly billed kWh less the subscribed share of the monthly solar output measured in kWh.

The monthly credit is subject to change to correspond with changes in the average embedded energy cost reflected in retail rates or as otherwise modified by Idaho Public Utilities Commission order.

Idaho Power makes no representation or warranty regarding the amount of energy output from the solar array under the Program.

### **Cancellation**

Participant is not eligible to receive a refund of any portion of the Subscription Fee upon cancellation or termination of its Subscription(s). Participant may elect to transfer the Subscription to another Eligible Customer within 60 days of Participant's cancellation or termination of Participant's applicable customer service agreement with Idaho Power. If no transfer is made within such 60-day period, Participant's Subscription will revert back to Idaho Power. Subscription transfer terms are discussed below.

### **Subscription Transfer**

A Participant may elect to transfer the remaining life of his/her Subscription to a new customer service agreement or service location for the same Participant who meets the eligibility requirements. Such transfers are not subject to additional fees.

Participants may transfer the remaining life of a Subscription(s) to another Eligible Customer's service agreement, including an eligible non-profit, for a \$25.00 fee. Participants with more than one Subscription may transfer Subscriptions in whole subscription increments to one or more Eligible Customers for a \$25.00 fee per transfer. A single subscription cannot be split for transfers.

Participants must notify Idaho Power in writing of their intent to transfer any Subscription(s) within 60 days of the occurrence of such transfer. Transfers will only be effective if the recipient satisfies the Terms and Conditions applicable to the Subscription and signs the Participant Agreement and assumes all responsibilities associated therewith.

### **No Third Party Beneficiaries**

Except as to the recipient(s) of any transferred Subscriptions, the Participant Agreement and these Terms and Conditions are intended solely for the benefit of Participant and Idaho Power. Nothing in this Participant Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person or business

entity not a party to this Program; provided, however, that the recipient(s) of any transferred Subscriptions shall be subject to the same obligations as set forth in this Participant Agreement and these Terms and Conditions.

**No Other Transfer or Pledge of Subscription(s)**

Participant may NOT pledge the Subscriptions(s) as security for any loan. Except as set forth above, (Subscription Transfer) Participant may not assign, gift, bequeath, or otherwise transfer any Subscription(s) to any other individual or entity.

**Ownership of Facility**

Idaho Power has sole ownership, possession, and control of the solar array included in the Program and will have the exclusive right to maintain and operate the solar array. Enrollment in the Program does not convey any right, title, or interest in or to any portion of any property (tangible or non-tangible, real improvements or any equipment of Idaho Power).

**Access to Solar Array**

Participant will not have access to the solar electricity generation, interconnection, metering, data acquisition, or other related solar array facilities for any purpose, unless otherwise agreed to in writing in advance by Idaho Power. Such access may be withheld or granted in Idaho Power's sole discretion.

**Ownership of Environmental Attributes**

To ensure that Renewable Energy Certificates ("REC") associated with the generation output of the solar array are appropriately recorded and tracked, Idaho Power will retain ownership of the RECs and all other environmental attributes generated by the solar array, including but not limited to, carbon emission reduction credits. The RECs will be retired by Idaho Power on behalf of Participants on an annual basis.

**No Effect on Electric Rates and Tariffs**

Nothing in this Agreement shall be deemed to alter or modify any rate, charge, or condition of service (including any policies, fees, charges or assessments) established from time to time by Idaho Power for electric service. All such rates and charges shall remain subject to change at any time. Participant acknowledges and agrees that the electric bill to which the Energy Credit is associated with the Participant's Subscription(s), shall reflect those rates and charges established or changed from time to time by Idaho Power. Participation in the Program shall not give Participant any increased or augmented right to contest or otherwise affect the determination of any rates or charges by Idaho Power for electric services.

**Notice**

Except for Idaho Power's confirmation of participation in the Program to Participant by email, all notices, requests, consents, and other communications under these Terms and Conditions will be in writing via email or to the mailing address for Idaho Power set forth below and the Participant's Service Address set forth above unless a different mailing address is provided by Participant in the Participant Agreement. Written notice may also be provided by electronic mail, if by Idaho Power, to the most recent electronic mail address on file, and if by Participant, to the following address: Idaho Power, P.O. Box 70, Boise, ID 83707.

**Binding Effect**

These Terms and Conditions shall bind and insure to the benefit of Participant and Idaho Power and permitted successors and assigns.

**No Waiver**

Neither Participant's, nor Idaho Power's failure to enforce any right or obligation with respect to any matter arising in connection with this Program shall constitute a waiver as to that matter or any other matter. If a party at any time waives its rights with respect to a default under these Terms and Conditions or any other matters arising in connection with this Program, the waiver shall not be effective unless it is set forth in a written notice signed by the waiving party. A waiver with respect to one default or matter shall not be a waiver of any other default or matter.

**Disclaimer of Warranties**

Participant acknowledges that, except to the extent specifically stated herein, Idaho Power has not made any representation, warranty, or promise with respect to any aspect of the performance, condition, value, risks, or likelihood of success of the Program or the Subscriptions for which the Participant has applied herein. PARTICIPANT ACKNOWLEDGES AND AGREES THAT EXCEPT AS STATED IN THIS PARTICIPANT AGREEMENT, THE SUBSCRIPTION(S) ENROLLED IN ARE MADE AVAILABLE **AS-IS**, AND WITHOUT WARRANTY OF ANY KIND. ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR OTHERWISE.

Participant has not relied upon any advice from Idaho Power or any representative of Idaho Power as to the prudence of Participant's participation in the Program. Participant understands that any questions or concerns about available tax credits, tax benefits, tax liability, incentives, and any other attributes of Participant's participation in the Program, or any term or condition in this Participant Agreement should be raised with Participant's tax or legal advisers or the appropriate governmental agencies.

Under no circumstances shall any Participant have a right to receive damages, whether compensatory, exemplary, or otherwise, and whether arising in contract, tort or by other legal theory, relating to this Participant Agreement or the Program in an amount that exceeds the amount of his, her, or its Subscription Fee, REDUCED BY the amount of any Solar Energy Credits actually received by such Participant. In connection with any claims asserted under this Participant Agreement or otherwise in connection with the Program, Idaho Power may, without derogation or limitation of any other defenses available to Idaho Power and without waiver of any rights or claims Idaho Power might otherwise have against any person, terminate this Participant Agreement and the Participant's interest in the Program, and may pay, as the Participant's sole and exclusive remedy, an amount equal to the Subscription Fee of such Participant, less the amount of any and all Solar Energy Credits received by or payable to Participant for his, her, or its participation in the Program from the date of this Participant Agreement until the termination date.

**Indemnification for Breach of Participant Agreement**

Participant hereby releases and shall defend, indemnify, and hold harmless, Idaho Power, its successors, and assigns, and the directors, officers, employees, and agents of Idaho Power and its and their successors and assigns from, for, and against any and all claims, losses, costs, liabilities, damages, and expenses (including, but not limited to, reasonable attorney fees) arising out of or in connection with any breach of this Participant Agreement by Participant.

**Force Majeure**

Neither Participant nor Idaho Power shall be liable for any failure to fulfill any obligation under this Participant Agreement due to circumstances beyond either party's reasonable control which circumstances may include, but are not limited to, fire, flood, earthquake, elements of nature, riots, civil disorders, rebellions or revolutions in any country, changes in governmental rules, laws, regulations, ordinances, permits, or licenses, relating to this Participant Agreement or the Program, or any other cause beyond the reasonable control of a party.

**Governing Law/Jurisdiction/Venue**

The Participant Agreement (including these Terms and Conditions) shall be deemed to have been made in, and shall be construed under, the laws of the State of Idaho, without regard to the principles of conflicts of laws thereof.

**Entire Agreement**

The Participant Agreement and the Terms and Conditions, together with any regulatory tariffs applicable to the Program, constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all previous proposals, both oral and written, negotiations, representations, commitments, writings, and all other communications between Idaho Power and Participant.

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-14**

**IDAHO POWER COMPANY**

**PENGILLY, DI  
TESTIMONY**

**EXHIBIT NO. 4**



Questions? Contact us at:  
 PO BOX 70, Boise, ID 83707.  
 Or call (208) 388-2323 (Treasure Valley)  
 or (800) 488-6151. Se habla español.  
 For faster service please call  
 Tuesday - Friday, 7:30 a.m. to 6:30 p.m.

Customer Name: SOLAR COMMUNITY-SAMPLE BILL  
 Account Number: 2212345678  
 Billing Date: 04/25/2016  
 Print Date: 04/25/2016

<b>Due Date</b> 05/10/2016	<b>Please Pay</b> \$95.32
-------------------------------	------------------------------

<b>Account Activity</b>	Previous Balance .....	\$86.24
	Payments - Thank You .....	\$86.24
	Balance Forward .....	\$ 0.00
	Current Charges .....	\$95.32
<b>Account Balance</b>		<b>\$95.32</b>

**Please Note:** Any unpaid balances may be assessed a monthly charge of 1 percent. Any credit on the account will be applied to future bills or can be refunded upon customer request. Returned payments may be resubmitted electronically. Items remaining unpaid will be charged a \$20 fee.

▼ Please detach and return the portion below with your payment. Please bring entire statement when paying at a pay station. ▼



PO BOX 70  
 BOISE, ID 83707  
 (208) 388-2323 (Treasure Valley) or (800) 488-6151

**ACCOUNT NUMBER**      **DUE DATE**      **PLEASE PAY**  
 2212345678              05/10/2016              \$95.32

**Amount Enclosed**              \$              .

Please write your account number on your check  
 or money order made payable to **Idaho Power**.

**Project Share pledge,**  
 noted on reverse side.

**Address/Phone Correction,**  
 noted on reverse side.



T201 00011373  
 SOLAR COMMUNITY  
 9999 MAIN ST  
 BLACKFOOT, ID 83221-3166



PROCESSING CENTER  
 P.O. BOX 34966  
 SEATTLE, WA 98124-1966



Questions? Contact us at:  
 PO BOX 70, Boise, ID 83707.  
 Or call (208) 388-2323 (Treasure Valley)  
 or (800) 488-6151. Se habla español.  
 For faster service please call  
 Tuesday - Friday, 7:30 a.m. to 6:30 p.m.

Customer Name: SOLAR COMMUNITY  
 Account Number: 2212345678  
 Billing Date: 04/25/2016  
 Print Date: 04/25/2016

Service Agreement No: 0031234567

Next Read Date: 05/20/2016

Service Location: 9999 MAIN ST / BLACKFOOT, ID

Meter Number	Service Period		Number of Days	Reading Type	Meter Readings		Meter Constant	kWh Used
	From	To			Previous	Current		
7777777	03/24/16	04/21/16	29	Regular	32569	33577	1	1008

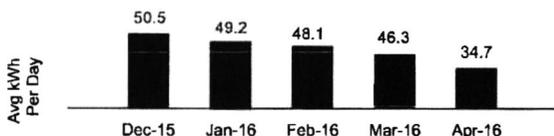
Billing kW	BLC
9	0

**Residential  
 Standard Plan  
 Schedule 01**

Service Charge .....	\$5.00
Non-Summer Energy Charge 800 kWh @ \$0.079675 per kWh .....	\$63.74
Non-Summer Energy Charge 208 kWh @ \$0.087839 per kWh .....	\$18.27
Annual Adjustment Mechanism .....	\$7.38
Franchise Fee 1.00% .....	\$0.94
Energy Efficiency Services .....	\$3.47
Federal Columbia River Benefits Supplied by BPA .....	\$1.82 CR
Solar Energy Credit 55 kWh @ \$0.03024627.....	\$1.66 CR
<b>Current Charges - Electric Service</b>	<b>\$95.32</b>

CR = Credit kWh = Kilowatt-hour PCA = Power Cost Adjustment kW = Kilowatt BLC = Basic Load Capacity G = Generation

**Your Electric Use Pattern**



If writing information below, please check the appropriate box on the reverse side.

**NEW CONTACT INFORMATION:**

Does Idaho Power have your correct mailing address and phone number?  
 If not, please write any changes below:

Name \_\_\_\_\_

Street \_\_\_\_\_ Apt./Suite \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Account Number: 2212345678

**PROJECT SHARE PLEDGE**

Please add the amount indicated to my monthly bill.

\$2      \$5      \$10

\$ \_\_\_\_\_

I would like to make a one-time contribution in the amount of \$ \_\_\_\_\_

Please round-up my monthly bill amount to the nearest dollar and contribute the difference to Project Share.

**Thank you and please remember to track your tax-deductible donations.**

Exhibit No. 4  
 Case No. IPC-E-16-14  
 P. Pengilly, IPC  
 Page 2 of 2